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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

13 October 1959

SUBJECT: SNIE 25-59: AUSTRIA'S POSITION BETWEEN EAST AND WEST^{1/}
(Draft for Board Review)

THE PROBLEM

To reassess Austria's diplomatic and military posture vis-a-vis the Soviet Bloc and the West, with particular reference to (a) Austria's willingness to cooperate with the West in peacetime, and (b) Austria's probable actions in the event of a major international crisis or war.

DISCUSSION

I. INTRODUCTION

1. Although the Austrian government and people are overwhelmingly pro-Western and anti-Communist in their basic orientation, Austria's freedom of action is sharply circumscribed both

^{1/} The title of this estimate, when used alone, should be classified FOR OFFICIAL USE ONLY

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by Austria's vulnerable position vis-a-vis the Bloc and by the specific commitments to neutrality which Austria made in connection with the ending of the occupation in 1955. The State Treaty of May 1955, under which the Occupying Powers concluded peace with Austria and guaranteed its independence and territorial integrity, does not of itself contain any provisions for Austrian neutrality. However, it was preceded by an Austrian-Soviet memorandum of understanding calling for Austrian adoption of a Swiss-type neutrality and was followed in October 1955 by the Austrian Parliament's adoption of a constitutional amendment committing Austria to "perpetual neutrality" and promising that Austria would neither enter into military alliances nor allow the establishment of foreign bases on its territory. As a result, Austrian international conduct since 1955 has been judged both by the Austrians themselves and by others in terms of its consistency with the basic concept of neutrality.

2. Within the limitations of its commitments to formal military neutrality, Austria initially made little effort to conceal its affinity with the West as against the Bloc. Inter alia, it gave asylum to the Hungarian refugees, expelled the secretariat of the Communist-backed World Peace Council, joined the Council of

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Europe, and turned to the US for assistance in developing its modest military establishment.

3. Over the last year or two, however, Austria has tended to display somewhat greater caution and restraint. Although it has shown continuing interest in developing its economic and cultural ties with the West, it has been careful to avoid moves which would irritate the USSR and, especially in the field of cultural and official visits, has sought increasingly to counter-balance moves which seemed to favor the West with similar gestures toward the Bloc. Austria abstained on the Communist China recognition issue at the 1958 UN General Assembly meeting and is now supporting Poland's candidacy for the Security Council. It has adhered to the Danube Convention. It sharply protested US military overflights of its territory during the Lebanon crisis of 1958. Meanwhile, there has been increased talk in both major parties of the desirability of adopting a more detached neutrality such as that of Switzerland. Chancellor Raab and others have even alluded to the possibility of Austria's serving as a "bridge" between East and West.

4. Austria's foreign policy outlook from the start has been characterized by the view that Austria's independence can best be preserved through a flexible and conciliatory policy toward both

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great power blocs.^{2/} However, this tendency in Austrian policy has almost certainly been reinforced over the past two years by the growth of Soviet power and by the increasingly active efforts of the USSR to convince Austria, as well as other Western countries, of the need to come peacefully to terms with it. The Austrians will continue to be drawn toward the West by economic self-interest, cultural affinity, and political sympathies. However, they will almost certainly remain sensitive to Soviet pressures and inducements, believing that there is much to gain and little to lose by remaining on good terms with the USSR. Meanwhile, Austrian incentives to identify more closely with the West are likely to be weakened by the growing feeling, general throughout Europe, that a Soviet attack is unlikely to take place and impossible to resist if it does come, except at excessive cost in destruction.

II. PROBABLE AUSTRIAN COURSES OR ACTION

A. Peacetime Issues

5. Political. Despite its pro-Western sympathies, Austria will probably remain careful to avoid any appearance of partisanship. It will probably abstain in the UN and other international

^{2/} See NIE 25-55, Outlook for an Independent Austria, 23 August 1955, especially paragraphs 6, 8, 35, and 37.

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bodies on issues where East-West issues are sharply drawn and will attempt to play down the political importance of its economic and other connections with the West. Some Austrian leaders may attempt to play the mediator between East and West on European security problems, possibly causing some embarrassment to the US and its NATO partners, but they are unlikely to go very far because^{of} the general Austrian desire to maintain Western military strength in Europe and because of widespread Austrian skepticism about Austria's ability to play such a role. In an effort to demonstrate their friendliness, the Austrians will meanwhile probably make much of their willingness to increase cultural and official exchanges with the Bloc, recognizing that the anti-Communist outlook of the Austrian people and the breadth of existing popular and official contacts with the West will make such exchanges limited in value to the Soviets.

6. Economic. The USSR has made no specific objection to Austria's membership in the Outer Seven. However, the question of the Outer Seven's relations with the European Economic Community (EEC, or the Six) poses a potentially serious conflict between Austria's need for access to Western markets and its desire to avoid offending the USSR, which regards Western European economic

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integration and especially its supranational, political implications with great suspicion. Austria will almost certainly seek some arrangement between the two organizations which enables it to participate without political or other supranational strings which could bring Soviet objection. If no alternative were available, however, the magnitude of Austria's economic stake would probably impel it to go along with a more comprehensive tie with the EEC, despite Soviet protests. The potential for increased Austrian-Bloc trade is small, and it is not likely to go much above its present level of 12-14 percent of total Austrian trade despite Austria's probable efforts to encourage such trade and to make a good showing on reparations.

7. Military. Austrian military policy is determined more by economic than by neutrality considerations; nevertheless, the two complement each other. In light of past performance and the current trends the Austrians will probably place increasing emphasis upon the neutral and defensive quality of their military forces. Present domestic pressures, to keep the military budget small, largely but not exclusively of Socialist origin, will probably be reinforced. Therefore, despite the fact that present military spending absorbs less than two percent of Austrian GNP

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that and the general economic outlook is favorable, it is unlikely this share will be markedly increased, unless there is a drastic alteration in the world situation or present Western aid programs were discontinued. Present trends are also likely to strengthen Austrian determination to develop their plans for a large reserve force, organized on a militia basis. Such a force would probably increase Austrian over-all defensive capabilities, especially against the East, but if implemented on the present ambitious scale of an ultimate force of 120,000 would probably result in further short-falls in Austrian efforts to build up their regular forces.

8. Should the US decide to deny or seriously curtail further military assistance, or make such aid contingent upon a drastic revision of present Austrian military planning, Austria would be forced to seriously re-examine its present positions, and would probably make concessions. Nevertheless, it is unlikely that Austria would make basic alterations in their present planning, and instead would probably turn to other countries for military aid: neutral, Western (but probably not West Germany), and Soviet Bloc in that order. Moreover, despite a sincere reluctance, Austria would eventually be obliged to obtain at

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least much of the heavier equipment from Soviet Bloc countries.

9. Assuming US aid continues, Austria will probably be willing to continue some form of joint/secret military planning looking toward a possible Soviet aggression. However, Austrian officials will probably become increasingly sensitive to any public speculation concerning such planning, and will participate only under the most discreet circumstance, and with the understanding that there be no written accords. More outspoken pro-Western Austrian military leaders, however, will probably continue willing to discuss with US military counter-parts actions which the Austrian armed forces might take in certain situations.

B. Major International Crisis or General War

10. In the event of a grave international crisis or general war, the Austrian government would probably endeavor to pursue a policy of strict neutrality. Austrian opinion, however, would be clearly favorable to the West, and the government would find it difficult and even reprehensible, to prevent expressions of pro-Western sympathy and the occurrence of minor acts in favor of the West.

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11. Austrian reaction to violations of its neutrality would vary considerably depending upon the identity of the violator, the particular balance of military power pertaining, and the estimated likely counteractions of the other power bloc.

a. Any serious violations of Austrian neutrality by the Soviet Bloc (e.g. invasions, territorial encroachment, extensive overflights), under whatever circumstances, would probably lead Austria to appeal for Western aid, and active cooperation with the West. If invaded, and especially if the Yugoslavs were also engaged in fighting Bloc forces, Austria would make a maximum -- though essentially limited -- defensive effort. Lesser violations (e.g. sporadic overflights, interruption of trade) would occasion Austrian protests and appeals to the UN, and incline Austria closer to the West. However, such leanings would probably stop short of active cooperation especially if Soviet actions appeared to be a response to, or were balanced by, similar Western actions. Soviet requests for special concessions (e.g. transit rights) would be rigidly turned down as long as similar concessions had not been made to the West and the West maintained a significant military capability near at hand.

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b. In the event of Western violations of Austrian neutrality, without prior Soviet Bloc violation, Austria would attempt to maintain the form, if not always the spirit, of protecting its neutrality against Western encroachments. In general, short of serious violations by the West, Austria would probably limit itself to rather pat diplomatic protests, either directly or through the UN. Incursions by Western ground forces, on the other hand, would probably elicit an Austrian counter-action, although it is unlikely that Austrian forces would seriously engage Western forces if Western action were limited to Western Austria and appeared essentially of a denying nature. Moreover, Austrian hesitance to engage would be reinforced by the anticipation that such engagement would probably result in large-scale Austrian defection to the Western forces. Western overflights would probably draw heated complaints. Austria's extreme sensitivity on this score is evidenced by official statements issued as early as the time of the State Treaty, and dramatized in the more recent protests to US violations during the Lebanon crisis. However, wholehearted counter-action would be unlikely; certainly not effective, at least, until an Austrian air defense capability is created.

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